

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE: 9/29/2010 LEASE #GS-11B-02232

THIS LEASE, made and entered into this date between BETHESDA PLACE LIMITED PARTNERSHIP
whose address is c/o Polinger Shannon and Luchs Company
5530 Wisconsin Avenue, Suite 1000
Chevy Chase, MD 20815

and whose interest in the property hereinafter described is that of OWNER, hereinafter called the LESSOR, and the
UNITED STATES OF AMERICA, hereinafter called the Government.

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

A total of 72,660 BOMA Rentable Square Feet (BRSF) (yielding approximately 61,363 ANSI/BOMA Office Area Square Feet (ABOA)) and consisting of the 28,477 BRSF on the 7th floor (yielding approximately 24,049 ABOA), 28,477 BRSF on the 8th floor (yielding approximately 24,049 ABOA) and 15,706 BRSF on the 9th floor (yielding approximately 13,264 ABOA) located at 7700 Wisconsin Avenue, Bethesda, MD 20814 in the project known as Bethesda Place to be used for SUCH GENERAL OFFICE AND RELATED PURPOSES AS DETERMINED BY THE GOVERNMENT. (See floor plans of leased premises included in Attachment A.)

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term commencing on the earlier of September 30, 2010 or occupancy and continuing for a firm term of 5 years with a renewal term as set forth below. In the event that the Government takes occupancy prior to September 30, 2010, the parties shall execute a Supplemental Lease Agreement to memorialize the Lease Commencement Date. The parties have also executed a Right of Entry Agreement which permits access to the Premises for telecommunication cabling and related work as of September 14, 2010 on terms and conditions set forth herein. The work in connection with the Right of Entry Agreement shall not be considered occupancy by the Government.

3. The Government shall pay the Lessor annual rent of \$3,040,821.00 (\$41.85/BRSF) at the rate of \$253,401.75 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to: **Bethesda Place Limited Partnership**, c/o Polinger Shannon and Luchs Company, 5530 Wisconsin Avenue, Suite 1000, Chevy Chase, MD 20015 or in accordance with the provision on electronic payment of funds.

4. (Intentionally Deleted)

5. The Government may renew the Lease for a term of [REDACTED] upon 365 days written notification at the annual rental rate of [REDACTED] at the rate of [REDACTED] per month in arrears plus accrued operating costs and real estate tax adjustments as set forth below. Real Estate Tax Adjustments in accordance with Paragraph 4.3 of the SFO and Operating Cost increases or decrease in accordance with Paragraph 4.4 of the SFO shall continue with the Base Year for Operating Expenses and Real Estate Taxes remaining the same as originally established in accordance with this Standard Form 2. Notice shall be computed commencing with the day after the date of mailing. All other terms and conditions of the Lease remain the same.

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

A. All services, utilities, alterations, repairs, and maintenance, as well as any other right and privilege stipulated by this Lease, the SFO and its Attachments are included as a component of the rent.

B. The Lessor shall provide to the Government a Tenant Improvement Allowance in the amount of \$1,227,260.00 (\$20.00/ABOA). Such Allowance shall be available in full immediately upon execution of this Lease, but shall be held by the Lessor until directed by the Government on how the disbursement of funds shall occur. The Government shall have the full latitude to direct disbursement of funds in accordance with the SFO and/or to offset the Government's rental obligation to the Lessor in accordance with SFO Paragraph 3.3 "Tenant Improvement Rental Adjustment." This Tenant Improvement Allowance is included in the rent, with the \$20.00/ABOA being amortized at a rate of 0% over the five-year firm Lease term. If the Government does not utilize the entire Tenant Improvement Allowance included in the rent, the rent shall be adjusted downward using the 0% amortization rate. A mutually agreed upon Supplemental Lease Agreement will be executed upon the Government's acceptance of the space as substantially complete that finalizes the rent using the final Tenant Improvement allowance utilized. The actual cost of the Tenant Improvements will be determined by the competition and cost proposal process as set forth in SFO Paragraph 3.2 "Tenant Improvements Included in the Offer," and Paragraph 3.3 "Tenant Improvement Rental Adjustment." Lessor shall provide the window film required by the SFO as indicated in the Security Costs as included in the rent set forth in Paragraph 3 of this Standard Form 2 within ninety (90) days of the Lease Commencement Date.

C. In accordance with Paragraph 2.5 "Broker Commission and Commission Credit" of the Lease, Studley, Inc. is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Studley, Inc. have agreed to a cooperating lease commission of [REDACTED] of the lease value for the five year firm term. The total amount of the commission is [REDACTED]. In accordance with the "Broker Commission and Commission Credit" paragraph, Studley, Inc. has agreed to forego none of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [REDACTED]. The Lessor agrees to pay Studley, Inc., 555 13th Street, N.W., Suite 420 East, Washington, DC 20004, the [REDACTED] in the lump sum amount of which shall be due to Studley, Inc. upon execution of this Lease by the Government and payable within 30 days of the receipt of an invoice, and [REDACTED] due upon occupancy.

D. For purposes of Paragraphs 4.2 and 4.3 of the SFO, as of the date of lease execution, the Government's percentage of occupancy is 27.64%, based on occupancy of 72,660 BRSF in a building of 262,925 BRSF. Evidence of payment of taxes shall be furnished as provided by Paragraph 4.2 C of the SFO. Any change in the percentage of occupancy or the amount of space shall be reflected in the Supplemental Lease Agreement establishing the lease commencement date.

E. For purposes of Paragraphs 4.3 of the SFO, as of the date hereof, the operating cost base is \$674,284.80 or \$9.28 per BRSF for 72,660 BRSF.

F. Pursuant to Paragraph 4.1 "Common Area Factor" is determined to be 1.1841.

G. In connection with any initial or subsequent buildout of tenant improvements, the following limits on markups, fees, and design costs shall apply: Offeror's General Contractor's overhead, and profit shall be 5 %, Lessor's overhead, profit, and other management fees shall be 5%, General Conditions shall be 6% and architectural/engineering (including architectural, mechanical, electrical, plumbing and structural engineering services) costs of \$3.50/ABOA. The combined total of the foregoing markups and fees shall not exceed 16% plus \$3.50/ABOA. These markups are all subject to the right of the Government and Lessor to reasonably negotiate lower individual markups based upon the actual scope of work of the requirement.

H. Pursuant to paragraph 4.5 of the SFO, as part of the rental consideration set forth in Paragraph 3 of this SF2, services, utilities, and maintenance shall be provided daily, extending from 7:00 am to 6:00 pm, Monday through Friday, excluding Saturdays, Sundays and federal holidays ("Normal Hours Schedule"). Overtime beyond the above-referenced Normal Hours Schedule for overtime HVAC on an occasional basis shall be provided at rates of \$50.00 per hour for overtime HVAC for each floor (each floor is 2 zones), and \$125.00 per hour for the entire Premises. The foregoing overtime HVAC rates shall escalate in accordance with the CPI every year on the anniversary of the lease in a manner consistent with section 4.3 "Operating Costs" in the SFO. The foregoing overtime HVAC rates are inclusive of all labor, maintenance, service and engineering fees. Notwithstanding the

hours of HVAC service, the Government shall have access to the leased space and appurtenant areas at all times without additional payment, including the use, during other than normal hours, of necessary services and utilities such as elevators, toilets, lights, and electric power. The rental rate in Paragraph 3 of the Standard Form 2 included daytime cleaning as part of the rent.

I. The adjustment to the rent for space previously occupied by the Government and then vacated is \$1.50 per ABOA.

J. Two official parking spaces are included in the rent as stated in Paragraph 3 of this SF2. During the term of the Lease, the Government, including Government employees occupying the leased premises, may purchase individual permits separate and apart from the rent due under Paragraph 3 hereof to lease up to 140 parking spaces at the then-market rates for such permits generally charged to other tenants of the building.

K. A copy the SFO Attachment for Fire Protection and Life Safety Evaluation is attached as Attachment C. Within 90 calendar days of award necessary and at Lessor's sole expense, all Fire and Life Safety deficiencies identified in the evaluation and any others identified in the Government's review of Attachment C shall be corrected in order to ensure that the building meets all local and national codes including NFPA 101. A Fire Life Safety Rider No. 1 that sets forth the required corrections is attached as Attachment L.

L. The Government agrees to accept the Premise in their current as existing condition as meeting the requirements of Paragraph 1.12 of the building shell, provided however that Lessor agrees to abide by all other terms and conditions of the SFO, including the performance based specifications set forth therein, and the General Clauses, specifically including General Clause 17 on Compliance with Applicable Law. The intent of this qualification is to recognize that the Government may find such items or conditions to be at least minimally acceptable with regard to the Government's occupancy of the space. Nonetheless, such items or conditions are to be in "good repair and tenantable condition" at the time of Lease Commencement or by any other specified date(s). The acceptance of the Lease Premises "as existing" does not relieve the Lessor from the obligations in the Lease to maintain and repair (or replace if necessary) the building shell and life safety requirements in compliance with the standards set forth in the SFO. Any exceptions to the SFO requirements are set forth on Attachment I.

M. In accordance with Paragraph 1.2(C) of the SFO, the Government has decided to retain the abandoned personal property existing in the Premises and in the manner and configuration indicated in Attachment A. All furniture, fixtures and equipment presently in the Premises shall become the property of the Government. All property, including any existing tenant improvements and systems furniture that are affixed to the real estate shall be subject to the use of the Government during the term, but shall become the property of the Lessor at the end of the term and Government shall have no obligation to remove them at the end of the term or any renewal term. A partial inventory of the furniture fixtures and equipment presently in the space is attached as Attachment J. The Security Unit Price List is attached as Attachment K.

N. In the event of a conflict between this SF2 and any other documents that comprise the Lease, the SF2 shall govern.

CONTINUED ON THE NEXT PAGE

7. The following are attached and made a part hereof:

- A. Floor Plans of the Leased Premises, and Parking Plans- 4 pages
- B. Solicitation For Offers No. 0MD2123 - 49 pages
- C. Fire Life Safety Evaluation - 20 pages
- D. Pre-Lease Security Report- 11 pages
- E. GSA Form 1217 -3 pages
- F. GSA Form 3517 - 32 pages
- G. GSA Form 3518 -7 pages
- H. Small Business Subcontracting Plan -13 pages
- I. Schedule of variances from SFO requirements
- J. Partial Inventory of Furniture, Fixtures and Equipment
- K. Security Unit Price List - 1 page
- L. Fire Life Safety Rider - 1 page

8. The following changes were made in this lease prior to its execution:

Paragraph 4 has been deleted in the entirety.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

Lessor: BETHESDA PLACE LIMITED PARTNERSHIP
a Maryland limited liability company

By: 7700 Wisconsin Corp.,
a Maryland Corporation, its General Partner

By: 
Name: Eliot Schnitzer
Title: Vice President

IN PRESENCE

OF Dawn F. Watson ADDRESS 5530 WISCONSIN AVE #1000
CHEVY CHASE MD 20815

UNITED STATES OF AMERICA

BY 
CONTRACTING OFFICER